

STATE OF CALIFORNIA
ELECTRICITY OVERSIGHT BOARD



Gray Davis, Governor

June 20, 2003

California Energy Resources, Conservation and Development Commission
Ad Hoc Integrated Energy Policy Report Committee
Commissioner James Boyd, Presiding Member
Chairman William Keese, Member
1516 Ninth Street
Sacramento, CA 95814

Re: In the Matter of Informational Proceedings and Preparation of the 2003 Integrated Energy Policy Report, Docket No. 02-IEP-01

Dear Commissioners:

Pursuant to Public Resources Code Section 25300 *et seq.*, the Electricity Oversight Board (EOB) provides its second set of comments related to the Integrated Energy Policy Report. The EOB is focusing its comments on subjects within the EOB areas of responsibility and expertise, including wholesale energy market design and policy, the pricing and market cost of wholesale energy, market monitoring and mitigation, Independent System Operator and Regional Transmission Organization structure and policy, transmission operation and risk management associated with transmission scenarios, and Federal regulation and litigation policies and initiatives.

After reviewing the draft reports discussed at the June 10 and 11 workshops, the EOB has significant concerns regarding several major theses repeated throughout the assessments that could detrimentally impact California's energy policy. These are identified and discussed in the comments that follow.

The EOB appreciates your receipt of its comments and looks forward to continuing to work with you with the goal of making your report a valuable tool for the Administration in formulating energy policy.

Sincerely,

Erik N. Saltmarsh
Acting Director